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21 January 1982
As of 1130

TALKING POINTS FOR THE DCI

Jaruzelski seems to have a firm hold on the reins of power, but he faces numerous difficulties.

- The situation in the country remains unstable as Solidarity activists continue to try to organize resistance, the economy stagnates, and the populace is unhappy over new austerity measures.
- [] has recently expressed apprehension that the current stalemate will lead to popular unrest and violence and US diplomats have also noted a definite souring of the public mood.
- Regime concerns about maintaining control will prompt it to keep tight martial law restrictions in effect, even though many participating Polish military units have returned to garrison.
- The civilian police, especially the elite motorized forces, have carried the main load and remain deployed.
- The delay of Jaruzelski's parliamentary address to 25 January suggests the leadership has had difficulty agreeing on a coherent program.
- Party infighting at lower levels has prompted the central leadership to try to exert more control over local party activities, especially ongoing purges.

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The economy continues to struggle because of worker malaise, bad weather and raw material shortages exacerbated by Western sanctions.

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- The regime intends to go ahead with massive price hikes in early February, but has increased the partially offsetting wage hikes to help ease worker unhappiness.
- Meat rations in February will remain at low levels, partly because of the impact of Western sanctions affecting the poultry industry.

On the debt, Warsaw now claims that it will pay 1981 interest to Western banks by mid-February so that the 1981 private debt rescheduling agreement can be signed later in the month.

- Warsaw's promise seems more credible than previous statements; the payments apparently will be drawn from Poland's meager reserves.
- The Poles have not even begun to tackle their 1982 debt service of \$10 billion; Western governments last week suspended 1982 debt relief discussions.

Moscow is generally satisfied with the current situation, but probably is uneasy about widespread worker hostility to the regime and the prospect of underground opposition, continued divisions within the party and the Church's public criticism of martial law.

- Continuation of these trends could lead to increased Soviet pressure on Warsaw and eventual disenchantment with Jaruzelski's leadership.
- Moscow's concern that the West Europeans might move closer to the US position on sanctions has prompted it to put pressure on some European countries to stand fast.

The Soviets have further reduced their contingency arrangements in Poland.

- Two remaining members of group that arrived in Warsaw with Kulikov in early December have returned to the USSR.

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18 January 1982

MEMORANDUM FOR: Deputy Director for Intelligence

THROUGH: Director of European Analysis

FROM: [REDACTED]
Chief, East European Division

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SUBJECT: US Aid to Poland

STAT

[REDACTED]

1. Attached is a memorandum on EURA/EE's continuing involvement in matters related to the provision of at least humanitarian food and agricultural raw-material aid to Poland. I am forwarding this memo to you because it is the belief of those involved that this sort of aid will be the subject of an NSC meeting sometime in the near future. Given EURA/EE's limited resources, I am instructing our agriculture analyst to keep her finger in by attending meetings, but not to volunteer to do any analytical work. [REDACTED]

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2. In anticipation of an NSC meeting, we are doing a typescript memo [REDACTED] on Polish agricultural policy. This policy will be a major key to the outcome of the current Polish crisis--whether the regime opts to provide the incentives that would stimulate Poland's private agriculture to perform more efficiently, or whether it chooses through repression simply to demand more from the agriculture sector, perhaps collectivizing more of it. If there is more we should be doing, please let me know. [REDACTED]

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Attachment
As Stated

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SUBJECT: US Aid to Poland

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EUR/EE: 15 January 1982

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15 January 1982

MEMORANDUM FOR: Chief, EE Division/EURA

VIA: Chief, NE Branch/EE Division/EURA

FROM:
EURA/EE/NE

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SUBJECT: Attendance at the AID Meeting Concerning
US Aid for Poland

1. I attended a meeting Wednesday, January 13, 1982, chaired by representatives of AID at the Department of State concerning the future of US humanitarian aid to Poland. A proposal may be made at an NSC meeting possibly next week about appropriations for this aid.

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2. The following points were made at the meeting:

-- The executive director of CARE, Philip Johnston, is now briefing administration officials about food shortages in Poland and the need for further humanitarian assistance. CARE will launch a campaign in the next week to raise \$5 million. They also want to provide support for Polish private farmers, including establishing a feeding program for chickens and for supplying fertilizer and spare parts. CARE now distributes food through the Polish Ministry of Health and hopes to set up a program with the Ministry of Agriculture to distribute aid to private farmers.

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-- The two major private voluntary organizations which provide aid to Poland--CARE and Catholic Relief Service (CRS)--have different assessments of need in Poland. CARE believes that the food shortages are caused by distribution problems, while CRS holds there are real food shortages rather than just distribution problems.

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3. As a result of the differences in the evaluation of need, the AID officials wanted an agency to provide an assessment of livestock and human needs in Poland. USDA volunteered to do the project, essentially an update of a CIA/USDA study on Polish needs done in September, and to provide an explanation of the structure of private agriculture in Poland. I did not volunteer

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to do any of the papers, but agreed to discuss the issues with analysts at USDA and to comment on the final product late next week. Ed Cooke, USDA/FAS, with whom I worked on the September assessment of Polish needs, will write the paper on Polish needs.

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4. Meetings on aid proposals may be held weekly, and other papers could be assigned. I believe that we should make a decision on how much we want to get involved in attending meetings and, especially, in providing papers on the Polish aid situation.

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